

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)



February 10, 2022

Company name: Denyo Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 6517 URL: <https://www.denyo.co.jp/>  
 Representative: President Shoichi Shiratori  
 Inquiries: Director & Senior Executive Officer Makoto Tanabe TEL 03-6861-1111  
 Scheduled date to file Quarterly Securities Report: February 14, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2021	39,449	1.2	2,456	(28.4)	2,711	(26.1)	1,900	(23.9)
Nine months ended December 31, 2020	38,988	(15.7)	3,431	(22.9)	3,669	(19.1)	2,496	(19.5)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2021	91.10	–
Nine months ended December 31, 2020	119.74	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	80,357	63,153	75.7
As of March 31, 2021	79,057	61,564	75.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	–	22.00	–	25.00	47.00
Year ending March 31, 2022	–	22.00	–		
Year ending March 31, 2022 (Forecast)				25.00	47.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	53,000	(3.6)	3,900	(26.9)	4,100	(27.4)	2,750	(28.8)	131.81

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2021	22,859,660 shares	As of March 31, 2021	22,859,660 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	1,992,142 shares	As of March 31, 2021	2,003,959 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	20,862,583 shares	Nine months ended December 31, 2020	20,849,962 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	21,913	21,869
Notes and accounts receivable - trade	17,436	–
Notes and accounts receivable - trade, and contract assets	–	15,515
Electronically recorded monetary claims - operating	3,426	4,904
Securities	999	999
Merchandise and finished goods	4,636	5,080
Work in process	1,566	1,714
Raw materials and supplies	4,073	5,896
Other	396	588
Allowance for doubtful accounts	(4)	(3)
Total current assets	54,443	56,564
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,145	7,085
Machinery, equipment and vehicles, net	2,526	2,126
Land	5,047	5,053
Construction in progress	20	13
Other, net	225	240
Total property, plant and equipment	14,964	14,519
Intangible assets	583	634
Investments and other assets		
Investment securities	8,750	8,349
Other	317	291
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	9,065	8,638
Total non-current assets	24,613	23,792
Total assets	79,057	80,357

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	8,773	9,169
Electronically recorded obligations - operating	1,991	2,789
Short-term borrowings	1,317	210
Accrued expenses	514	691
Income taxes payable	978	34
Provision for bonuses	637	383
Provision for bonuses for directors (and other officers)	83	53
Provision for product warranties	126	151
Other	1,010	858
<b>Total current liabilities</b>	<b>15,434</b>	<b>14,343</b>
<b>Non-current liabilities</b>		
Long-term borrowings	–	805
Lease obligations	267	280
Deferred tax liabilities	1,358	1,329
Retirement benefit liability	401	413
Other	31	31
<b>Total non-current liabilities</b>	<b>2,058</b>	<b>2,860</b>
<b>Total liabilities</b>	<b>17,493</b>	<b>17,203</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,954	1,954
Capital surplus	1,779	1,788
Retained earnings	54,766	55,648
Treasury shares	(2,350)	(2,344)
<b>Total shareholders' equity</b>	<b>56,149</b>	<b>57,047</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,643	3,411
Foreign currency translation adjustment	(417)	379
Remeasurements of defined benefit plans	(10)	(2)
<b>Total accumulated other comprehensive income</b>	<b>3,215</b>	<b>3,788</b>
<b>Non-controlling interests</b>	<b>2,198</b>	<b>2,317</b>
<b>Total net assets</b>	<b>61,564</b>	<b>63,153</b>
<b>Total liabilities and net assets</b>	<b>79,057</b>	<b>80,357</b>

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	38,988	39,449
Cost of sales	29,698	30,915
Gross profit	9,289	8,534
Selling, general and administrative expenses	5,858	6,078
Operating profit	3,431	2,456
Non-operating income		
Interest income	33	30
Dividend income	127	139
Rental income from buildings	58	61
Foreign exchange gains	37	11
Share of profit of entities accounted for using equity method	16	15
Other	41	43
Total non-operating income	314	302
Non-operating expenses		
Interest expenses	42	31
Sales discounts	18	–
Other	15	15
Total non-operating expenses	76	47
Ordinary profit	3,669	2,711
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	40	28
Total extraordinary income	40	29
Extraordinary losses		
Loss on disposal of non-current assets	4	38
Total extraordinary losses	4	38
Profit before income taxes	3,705	2,702
Income taxes - current	972	683
Income taxes - deferred	146	112
Total income taxes	1,119	795
Profit	2,586	1,906
Profit attributable to		
Profit attributable to owners of parent	2,496	1,900
Profit attributable to non-controlling interests	89	5
Other comprehensive income		
Valuation difference on available-for-sale securities	468	(231)
Foreign currency translation adjustment	(479)	940
Remeasurements of defined benefit plans, net of tax	10	8
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Total other comprehensive income	(1)	716
Comprehensive income	2,585	2,623
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,608	2,473
Comprehensive income attributable to non-controlling interests	(23)	149

## Revenue Recognition

[Breakdown of Revenue from Contracts with Customers]

### (1) Sales results by product

(Millions of yen)

Product	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Year-on-year	
			Change	%
Generators	31,013	31,085	71	0.2
Welders	3,216	3,619	402	12.5
Compressors	578	588	9	1.6
Others	4,179	4,157	(21)	(0.5)
Revenue from contracts with customers	38,988	39,449	461	1.2
Other revenue	—	—	—	—
Net sales to external customers	38,988	39,449	461	1.2

### (2) Sales results by region

(Millions of yen)

Region	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Year-on-year	
			Change	%
Japan	26,190	24,624	(1,566)	(6.0)
Overseas	12,797	14,825	2,027	15.8
North/Central America	8,381	9,248	867	10.3
Asia	2,988	3,287	298	10.0
Others	1,427	2,289	861	60.4
Revenue from contracts with customers	38,988	39,449	461	1.2
Other revenue	—	—	—	—
Net sales to external customers	38,988	39,449	461	1.2